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C O N F I D E N T I A L SECTION 01 OF 03 KIEV 001912

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SUBJECT: UKRAINE/RUSSIA: NO PROGRESS ON BLACK SEA FLEET
NEGOTIATIONS

REF: 05 KIEV 4539

Classified By: Political Counselor Aubrey Carlson for reasons 1.4(b,d)

¶11. (C) Summary: First Deputy Foreign Minister Volodymyr Ohryzko told Kiev-based diplomats May 12 that the May 4 second meeting of the Ukraine-Russia sub-commission on the Russian Black Sea Fleet made no progress. The Ukrainians have asked to conduct a joint inventory of real property occupied and used by the Russian Black Sea Fleet, but the Russians are stonewalling. Once the inventory is completed, the Ukrainian government can begin to assess its value and propose a rental charge based on market prices. Ohryzko said the next sub-commission session would take place in July or August in Sevastopol and the Ukrainian side would present "practical" proposals that would force the Russians to begin respecting requirements of Ukrainian law. Dismissing Russian talk of creating an alternative base for the Russian Black Sea Fleet on Russian territory, Ohryzko nonetheless said the Ukrainian government would notify Russia of its intent to terminate the basing arrangement in 2017 and propose discussions to allow for the orderly withdrawal of the Russian Black Sea Fleet from the Crimean peninsula. Russian President Putin would not visit Kiev until the next Ukrainian prime minister and speaker of parliament have been installed.

End summary.

General Principles

¶12. (C) Deputy Foreign Minister Ohryzko invited EU, Japanese, Canadian, and U.S. embassy representatives May 12 for an update on Ukrainian-Russian May 4 discussions in Moscow on the basing of the Russian Black Sea Fleet (BSF). The "sub-commission on the functioning of the Russian Black Sea Fleet on the territory of Ukraine" (BSF sub-commission) had met for only the second time, after the initial February 14, 2006 meeting in Kiev. Before providing his briefing, Ohryzko said he wanted to make some basic points. First of all, Article 17 of the Ukrainian Constitution prohibited the stationing of military bases on Ukrainian soil, although Paragraph 14 of the transitional arrangements provided for the temporary basing of foreign military forces under the provisions of international agreements ratified by parliament (Rada). The Rada, in May 1997, had ratified three basic agreements allowing the stationing of the Russian Black Sea Fleet in Ukraine, but the agreements only allowed facilities to be rented to the BSF until May 2017. Furthermore, the basic agreements required the Russians to use Ukrainian property only in compliance with Ukrainian law and limited their use of real property to the ones specified in the agreements.

Infrequent and Unproductive Meetings

13. (C) Ohryzko noted the BSF sub-commission, established under the rubric of the Yushchenko-Putin inter-state commission, had working groups to work on five specific issues related to the stationing of the Russian Black Sea Fleet:

-- The inventory of plots of land and state property used by the Russian Black Sea Fleet;
-- Naval security;
-- Ecological security and environmental protection;
-- Legal functioning of BSF units; and
-- Other international and political issues.

14. (C) Ohryzko said he headed the Ukrainian delegation to the BSF sub-commission, while his counterpart was Russian Deputy Foreign Minister Karasin. Only the working group on the inventory of real estate and property used by the BSF was actively meeting. During the initial February 14 meeting, the Ukrainian side had presented its proposal for conducting the inventory, but now, Ohryzko noted, the Russian side was dragging its feet, repeatedly raising the same questions on the purpose and conduct of the inventory. Since the February 14 first meeting, the Ukrainian side had sent seven official notes to the Russians with various proposals but not received any reply.

15. (U) Note: In November 2005, the media reported the Ukrainian members of the bilateral commission would be President Yushchenko; Prime Minister Yekhanurov; the Foreign, Defense, and Education Ministers; National Security and Defense Council Secretary Kinakh; and Ohryzko. Yekhanurov would chair the sub-commission on economic cooperation; Defense Minister Hrytsenko, the sub-commission on security;

KIEV 00001912 002 OF 003

and Foreign Minister Tarasyuk, the sub-commission on international cooperation. With Ohryzko on BSF sub-commission would be First Deputy Defense Minister Polyakov, the Deputy Head of the State Committee for Construction and Architecture, the Sevastopol prosecutor, the Naval Forces commander, the deputy head of the State Property Fund, and representatives of the Sevastopol city administration, the Border Service, the Customs Service, the Finance Ministry, the Justice Ministry, the Environment Ministry, the state-run river mapping organization, the Foreign Ministry, and the Security Service of Ukraine.

Numerous Violations

16. (C) Ohryzko said, once a joint inventory was conducted, the Ukrainian side hoped to renegotiate the Russian BSF rent, which, currently at \$97 million per year, was far out of line with market pricing. The Ukrainians had proposed that a joint inventory be conducted of all establishments and plots of land used by the Russian Black Sea Fleet to determine their current condition. The Ukrainian government calculated that the Russian Black Sea Fleet was using 25 plots of land and more than 185 buildings, occupying more than 150 hectares of Ukrainian soil, without proper authorization because they were not listed in the BSF agreement annex. The Russian Black Sea Fleet was also conducting unauthorized activity, such as subleasing properties to be operated as restaurants, from some of the properties.

17. (C) Ohryzko charged that the Russians were also operating more than 35 navigational aids (note: such as lighthouses, buoys, channel markers, etc.) in violation of Ukrainian law, which stated such navigational aids were Ukrainian property. The lack of Ukrainian control over the navigational aids meant that Ukraine was unable to meet its international obligations to ensure safety of maritime traffic in its territorial waters. Other Russian Black Sea Fleet violations included the excessive use of Russian national symbols and the operation of a prosecutor's office and military courts on

Ukrainian territory.

The Way Forward

¶ 8. (C) Ohryzko said the sub-commission was next due to meet in July or August in Sevastopol. The Ukrainian government would work out a number of proposals to simplify the inventory procedure for the Russians. Ohryzko also said the Ukrainians would present a number of practical steps "to demonstrate that Ukraine will not allow violations of Ukrainian law," but he refused to specify the nature of the steps when asked.

¶ 9. (C) Responding to a Swedish diplomat's question, Ohryzko said he and his colleagues had noted Russian media reports that Moscow was preparing alternative Black Sea Fleet facilities in Novorossiysk. Ohryzko discounted these reports, saying that such reports alternated with Russian military officials' statements regarding their intent to stay on in Sevastopol after 2017. Later in the meeting, Ohryzko said the Ukrainian government intended to present an official notification in 2007 to the Russian side of its intent to terminate Russian Black Sea Fleet basing arrangements and propose the initiation of discussions on the Russian Black Sea Fleet's departure. The Ukrainian government understood that the Russian Black Sea Fleet's transfer would not be an overnight process, but would require several years and should be carried out in an orderly process.

No Putin Visit Soon

¶ 10. (C) Responding to a question, Ohryzko said the Ukrainian government had invited Russian President Putin to Kiev a number of times. For the moment, Moscow was taking the position that a Putin visit could not take place until a new Ukrainian prime minister and parliamentary speaker had been designated and were in place. Ohryzko said he hoped that during a Putin visit all aspects of the Ukraine-Russia bilateral relationship would be discussed, including the stationing of the Russian Black Sea Fleet.

Comment

¶ 11. (C) While Ohryzko provided little information not already in media reports, his candid comments underscored Ukrainian frustration over the lack of progress in negotiations between

KIEV 00001912 003 OF 003

Ukraine and Russia not just on the Russian Black Sea fleet but on a range of issues between the two countries. (Reftel relays MFA 1st Territorial Department Adomaitis' earlier frustration over Russian intransigence on the Russian Black Sea Fleet.)

¶ 12. (U) Visit Embassy Kiev's classified website:
www.state.sgov.gov/p/eur/kiev.
Herbst